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CHARLES ELMORE

In the Supreme Court of the United States

OCTOBER TERM, 1951.

No. 256.

FRANK B. KILLIAN & COMPANY,
Petitioner,

vs.

ALLIED LATEX CORPORATION, and
HOWARD G. STRAUSS,
Respondents.

PETITIONER'S REPLY BRIEF.

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We shall here follow the headings under "Arguments" in respondent's brief and for convenient reference, we point out under each heading the pages throughout respondents' brief to which this reply is addressed.

The Bead Roller Patent Killian No. 1,605,445 (R. 611).
(Respondents Br. 1-6.)

Respondents argue that because the Bead Roller Patent has since expired, this Court should not be asked to resolve the irreconcilable conflict between the Eighth Circuit decision in 1939 and the Second Circuit decision in 1951 (Pet. 6-10).

But the issue is much broader than the particular patent here involved.

The novel issue is whether a patent previously in litigation and that had never been declared invalid may properly be devitalized by depriving it of all range of equivalents in the Second Circuit in the face of the holding of the

Eighth Circuit that it is entitled to "a broad range of equivalents approaching that accorded to a pioneer invention."

This Court's ruling on that issue will bear on every litigation hereafter that involves an unexpired patent which had previously been adjudicated valid in one or more United States Courts of Appeals.

The Court below offers a lengthy explanation in an effort to reconcile its present decision unfavorable to the Bead Roller Patent with its previous decision holding that same patent valid and infringed in *Stevens v. Carl Schmid, Inc.*, 73 F. (2d) 54.

Because the machine built according to the teachings of the Hadfield patent was worthless and inoperative, therefore it does not follow, says the Court below (R. 825), that the Hadfield *patent* fails to teach how a commercially useful machine could have been made, despite the fact that Hadfield himself was unable to make such machine work. The Court below says without warrant, that it had committed the logical fallacy of *non sequitur* in the *Stevens v. Schmid* case by failing to consider the Hadfield patent as such apart from any machine built thereunder.

But the Court of Appeals for the Eighth Circuit in its decision (*Dean Rubber Mfg. Co. v. Killian*, 106 F. (2d) 316) *did not even mention any Hadfield machine*, and yet held the same Killian Bead Roller Patent valid and infringed over the Hadfield patent *as such*, stating at p. 320:

> "* * * but that no one prior to Killian, had succeeded in producing such a machine, and even if regarded as no more than an improvement patent, it has demonstrated its worth and importance to such an extent as to entitle it to a broad range of equivalents approaching that accorded to a pioneer invention."

Respondents say (p. 5):

"At the trial, respondent produced and satisfactorily operated a machine made according to the Hadfield patent. This was not done in any prior litigation. Petitioner does not attack the operability of the machine of the Hadfield patent, as it did in prior litigations."

That statement is erroneous. The machine here referred to was *not* according to the Hadfield patent. While had two rollers, these were not so arranged that both ould engage the form simultaneously as Hadfield prescribed. It was according to the *Killian* patent in which nly one roller functioned. Respondents put a second, utterly useless, roller on a Killian patented bead roller and alled it a Hadfield machine. Respondents' expert admitted hat the demonstration machine, which was said to exemlify the machine of the Hadfield patent, differed in many articulars from the Hadfield patent (R. 516-518, 523-527). udge Bondy saw through this subterfuge and held, "one f the rollers of defendants' accused devices is functionless" * * "The accused machines follow Killian and not Hadeld" (R. 808).

The Court below holds the differences between Hadeld's adjudicated failure and Killian's adjudicated success, "trivialities of design," with the one qualification, "unless we consider the elimination of one of the two brushes" R. 825). But the decision goes on to state that "as a new uestion we could not support a patent upon the omission f one of Hadfield's two" (R. 827).

In the face of this clear ruling adverse to validity, respondents yet insist that the Court below had "refrained rom holding the patent invalid" (p. 1), that "validity was ot passed on" (p. 2). On such technicality respondents eek to reconcile hopelessly irreconcilable decisions.

But assuming with respondents that validity had not been passed upon in the decision below, then the previous holdings of validity in both the Second and Eighth Circuits must perforce still control.

The patent thus remaining valid, a holding of infringement necessarily follows. The doctrine of equivalents need not even be invoked, for the claims read literally as well as in spirit on respondents' bead roller. Respondents state (p. 5) that "All of the claims in suit call for 'a rotatable brush' or the like, *with emphasis on the 'a'.*" * We are unable to find, and respondents fail to suggest, where it finds such emphasis. The addition of "a second brush or the like" by respondents does not detract from the fact that respondents nevertheless have "*a* rotatable brush or the like." Infringement is not avoided by adding a second roller, especially where, as here, that roller is functionless as held by the Trial Court, and mere window dressing or camouflage.

In arguing (p. 2) that respondents followed Hadfield, respondents are assuming that both rollers of respondents actually functioned simultaneously, so that one of them was not *functionless* contrary to the finding of the Trial Court. There is no escape from infringement. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U. S. 605 (Pet. p. 9).

Whether the Court below has now held the Bead Roller patent invalid, as to all intents and purposes it has done, or whether it has technically refrained from so holding, the fact remains that the Court below in depriving the patent of all range of equivalents is in irreconcilable conflict with the Court of Appeals for the Eighth Circuit, which held that it was entitled to a broad range approaching that accorded to a pioneer invention.

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* Emphasis ours throughout this brief.

The Distributing Patent Killian No. 2,128,827 (R. 617).

(Respondents Br. 1-4, 6-11.)

The Court below held and respondents do not disagree (p. 10) that the Dutch patent was for a purpose "widely different" from that of the patent in suit. Assuming the necessary "insight" on the part of "an inventor" as to its applicability to the purpose of the patent in suit and his ability in the light of his "insight" to make the reorganizations that the Court below enumerates (R. 829), still further reorganization would be necessary as we pointed out (Pet. 21) and without contradiction. Moreover it would be necessary as the Court below found, to look elsewhere for the vital suggestion of oscillating the forms. This suggestion allegedly is found in Mitzel patent 1,365,528.

Respondents' argument that it is so found, is refuted by uncontroverted testimony as to Mitzel on the part of the experts on both sides. Respondents' expert testified:

> "Q. Now, in Mitzel, do you know of any instance where a machine was built like is shown in that patent and used?
>
> A. No, I do not.
>
> Q. There again you do not have rotation or oscillation of the forms, do you?
>
> A. No, sir." (R. 533.)

And petitioner's expert testifies to the same effect that the Mitzel patent shows "no rotation or oscillation" (R. 592).

Respondents are right (pp. 7, 8) that the advantages of the Distributing Patent may be availed of as disclosed, not only with the latex that is more commonly used today, but with cement rubber as well, which was universally

used before refined latex became available in the United States. That cannot be said for the Mitzel patent, since petitioner's expert testifies without contradiction:

> "I have tested the motions shown in the Mitzel patent on demonstration unit 22, and if we dip vertically, then hold it in vertical position for a while, and then reverse the form, as the motion of the belt shows to the vertical upward and keep on doing that progressively, what we get is, while the form has its closed end downward, latex is dripping off the form. While we have the form tilted with its closed end upward, the latex is running down the form in an irregular manner." (R. 592, 3.)

Since the old Mitzel patent cannot be used for latex, it could not possibly be useful to one working with the crude latex machine of the still older Dutch patent. This is wholly aside from the fact that Mitzel does not show or suggest the oscillation as the experts for both parties agree.

In the course of the trial Judge Bondy refutes respondents' allegation (p. 10) that the inoperativeness of the Dutch patent with its stick always horizontal when outside the dipping tank, had not been demonstrated in Court. That appears from the following colloquy:

> "Mr. Blum: Will you stipulate that in the Dutch patent machine that when that form was rotated about its horizontal axis, it secured a uniform circumferential distribution of the latex?
>
> Mr. Watts: A thick ring around the intersection of the semi-spherical part and the circumferential. We demonstrated it with this form.
>
> The Court: That he himself (Mr. Blum) established. He established with latex, it does just those things." (R. 559)

The demonstration Judge Bondy referred to had been summarized by petitioner's expert by stating that the film right near the tip "is wearing into the underlying film and developing a thin spot which will eventually wind up as a flaw or even a hole." (R. 251.)

In the face of the demonstrated worthlessness of any product attained by the Dutch patent, even assuming the necessary "insight" and the necessary reorganization required (without the aid of Mitzel), the resultant product was demonstrated to be utterly worthless and *so found as a fact* by the Trial Court (R. 812). Since as we have shown, Mitzel does not and could not suggest the further change required in the Dutch patent to transform it into a useful machine for the purposes of petitioner and respondents, the soundness of the Trial Court's decision is manifest.

Infringement.

The Trial Court holds that respondents had infringed both patents, and awarded an injunction after trial. Only respondents ever infringed the Distributing Patent. The rest of the industry respected it at all times. Many courts have previously awarded injunctions for infringement of the Bead Roller Patent. The statement quoted (p. 1) from Pet. 5 is therefore strictly in accordance with the fact.

The Court below did not reverse or modify the Trial Court's finding of infringement as to the Distributing Patent, and its reversal as to the Bead Roller Patent was merely *pro forma* (p. 13). Infringement is therefore not a mere assumption and petitioner does not beg the question as stated by respondents (p. 2).

The expression "other tubular articles" which respondents exclude (p. 2) and include in the quotation

(p. 4) euphemistically defines prophylactics. Respondents' statement (p. 2) that the machine and method of neither patent relate particularly to the manufacture of prophylactics is refuted by uncontradicted proof that the entire prophylactic industry paid royalty for their use from the outset, indeed even before the patents were actually granted (Pet. 5). Respondents likewise salute the patents in suit by using their teachings for making prophylactics and by waging costly litigation to defend their infringement.

There is no reference in the record to support respondents' assertion (p. 2) that they had done any developmental work. As stated by this Court in *Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co.*, 339 U. S. 605, 612:

> "Without some explanation or indication that Lincolnweld was developed by independent research, the trial court could properly infer that the accused flux is the result of imitation rather than experimentation or invention."

Presumptions of Knowledge of the Prior Art.

(Respondents' Br. 3, 11-12.)

Respondents (p. 11) fail to answer or even comment upon the showing (Pet. 7, 12 to 15) of *direct conflict* with the Seventh Circuit on the issue of whether it is presumed that knowledge of the prior art was possessed by workers in the art other than the inventor.

Finding that no other Court agrees with the Court below, respondents make the bald assertion that the Court below was right in holding that workers in the art must be presumed to be ignorant of the entire patent literature in their field, and says that "is sound law" (p 7), indeed "is certainly sound law" (p. 11). It is *not* sound law, for

this Court has held to the contrary in *Sontag Chain Stores Co., Ltd. v. National Nut Company of California*, 310 U. S. 281, 295, as follows:

> "All patents must 'be recorded, together with the specifications, in the Patent Office in books to be kept for that purpose.' U. S. C. Title 35, Sec. 39. Constructive notice of their existence goes thus to all the world. *Boyden v. Burke* (1852) 14 How. 575, 582; *Wine Ry. Appliance Co. v. Enterprise Ry. Equipment Co.* (1936) 297 U. S. 387, 393; Walker on Patents, Deller's edition (1937) Vol. 3, p. 2176. In consequence the owner of the machine here accused operated it with implied knowledge of the original patent and may justly claim whatever privileges would follow actual knowledge."

Paper Patents.

(Respondents' Brief 3, 12.)

Respondents (p. 12) have patently evaded discussion of this issue.

Petitioner (p. 16) is in accord with respondents (p. 12) that a "paper" patent which "precisely discloses the purpose, means and mechanism for accomplishing the end of a patent in suit," and is fairly described by the claims of the latter, constitutes an anticipation which is just as effective as if it had not been "still born" and as if it had had an extensive commercial history.

However, as appears in the quotation (Pet. 16), a patent on an organization *not* conceived, disclosed, adaptable by obvious or well-known mechanical expedients, or, in fact, adapted to accomplish the end of the patent in suit may not be reorganized into something that is suggested only by the patent in suit. An argumentative invalidation upon a "still born" patent, as by the Court

below in the instant case, is not countenanced under the Paper Patent Rule. By its decision and by its holding that the "phrase 'paper patent' is a mere bit of rhetoric, * * * a meaningless platitude." the Court below is in direct and irreconcilable conflict with the Sixth Circuit.

Respondents have commented only on that which is not in controversy and have evaded and left unanswered and therefore agree with petitioner that the conflict exists between the Sixth and Second Circuits. *No reason has therefore been advanced by respondents why the conflict should not be resolved.*

The Mechanic-Skilled-in-the-Art Test of Invention.

(Respondents' Br. 3, 12-13.)

Respondents' answer to petitioner's contention on this subject (Pet. 18-19) is that Judge Learned Hand intended by using the word "inventor" to designate only "an experimenter." The Judge has been famous, long and justly, for his ability in using the English language to say exactly what he means. It would be out of character for him to say "inventor" when he meant "experimenter." Respondents evidently overlooked the fact, pointed out (Pet. 19) that the Judge used the word "inventor" not once but twice (R. 830). It seems quite improbable that other Courts, well knowing the Judge's ability correctly and forcefully to use the English language to express his thought, would read the portions of the decision here under discussion as respondents would have them read.

Findings of Fact; Rule 52(a) F. R. C. P.

(Respondents' Br. 4, 13-15.)

Respondents argue (pp. 13 to 15) that the appellate courts are as capable as is the trial court in reading both the patent in suit and the prior patents and determining to what extent there is or is not anticipation. Therefore, respondents contend, the appellate court can make its decision without regard to what was testified by the experts. But if that be so then trials in a patent case would always be futile where, as here, the prior art is confined to earlier patents as distinguished from prior uses.

Respondents evade this subject (Pet. 20-23) by citing decisions which hold, under an exception to this rule, that the reviewing tribunal is not bound by the findings of fact of the trial court where the evidence is documentary or uncontradicted. The rule and its exception are well stated in one of the decisions cited by respondents, namely *Hanovia Chemical & Mfg. Co. v. David Buttrick Co.*, 127 F. (2d) 888, 890-1 (C. A. 1) as follows:

> "Confusing and illogical as it seems, what the courts have done is to find a practical solution for a practical problem. In so far as the answer to the question of patentable invention hinges upon findings with respect to obscure or disputed issues calling for expert testimony either as to the nature of the device patented or as to the nature of the devices of the prior art, the view of the District Judge, who saw the experts on the stand, heard them testify and had the opportunity to ask them questions, is entitled to great weight and we should not venture to disagree with his view as to what these things are unless we are convinced that in some respect he has fallen into clear error. Rule 52(a) F. R. C. P. But on the other hand, when we can clearly comprehend from the record and the exhibits the nature both of the thing

> patented and of the things of the prior art, that is, when the facts are simple and we have as good access to the source of facts as the court below had, we are in as good a position as that court to compare the thing patented with the prior art, as well as to say whether or not the thing patented should be called an invention."

The Court below did not base its decision on documentary evidence of which there is little or none in the case. On the contrary, as the decision clearly shows, the Court indulged in endless speculation including the reasons why the Hadfield machine was not used for many years, the importance of the various parts of that machine, the effect of omitting some of those parts, the operation of the Mitzel and Dutch machines, what an inventor would do to make the Killian invention and how a good prophylactic could be made by using the Dutch machine. Many of these speculations were directly contrary to the record.

For other and even more important reasons this case must remain within the general rule. Here, moving pictures were shown. Models of several machines were exhibited, testified to, and operated in open Court. Demonstrations of the operation of the patented, infringing and prior art machines were also made in open Court. Extensive conflicting testimony was given by experts and also by fact witnesses as to the construction and operation of the infringing machines as well as the machines shown in the prior art. The Trial Court was called upon to determine the credibility of the witnesses and to resolve conflicts in testimony. He had opportunity to, and did, ask the witnesses many questions. On none of these points was the Court of Appeals in as good position as the Trial Court to say whether the patents were valid and infringed.

There was no documentary evidence other than the patents themselves, bearing on the operativeness of the Hadfield, Mitzel or Dutch patents. As to the Hadfield patent, there were the several prior decisions holding that the machine of that patent was inoperative to roll beads commercially. As to the Mitzel patent, both experts and respondents' counsel agreed that there was neither rotation nor oscillation of the forms (R. 533, 592), and no denial of the proof by petitioner's expert that the Mitzel machine could not be used with latex (*supra*, p. 5). As to the Dutch patent there is much uncontradicted testimony in the record showing that the machine of that patent could not do either what it was supposed to do (R. 583-585) or what the Killian distributing machine has done commercially for so many years (R. 586-588).

All these factors keep this case squarely within Rule 52(a) F. R. C. P. as stated by this Court in *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 336 U. S. 271, 275 (Pet. 20) and as stated in the foregoing case of *Hanovia v. Buttrick.*

The History Test (Pet. 23).

Respondents (p. 15) caricature the history test by suggesting that it amounts only to commercial success and by saying that it "is at best applied only when invention is in doubt." Commercial success is merely one of the many facets making up the well-known history test.

In applying the History Test there must of course be taken into account every material factor of history, both those that support and those that tend to negative the conclusion of invention. In the case of *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U. S. 327 (Respondents' Br. pp. 15, 16), this Court reversed the Court of Appeals for the

Second Circuit, not because it had relied on the History Test, but because in that reliance, the Court below had disregarded important and significant facts of history found by the Trial Court and that are mentioned in this Court's opinion. Thus, when Gessler was asked to make an odorless ink in 1930 (p. 331), he did so without long and difficult experimentation, by simply selecting solvents of appropriate characteristics from a catalogue of a chemical manufacturer. The resultant ink, however, was useless, because while the ink would not dry on the rollers at room temperature, it would not dry on the paper either. But when some years later, Gessler was told that a heating device would be applied to the printing press, he immediately recognized that the ink which he had previously so readily prepared, would be heat dried upon the paper and would therefore serve its intended purpose. On that factor of history which the Court below had disregarded, invalidity was plain.

But in the instant case all the affirmative elements of the History Test are present and there is not a single element which mitigates against the conclusion that an authentic invention had been made.

As we have shown, the Killian patents are so hardy in character that the Court below found it necessary to fashion new engines of destruction in the form of unprecedented rules effective to annihilate any and every patent. The use of these unprecedented rules is the basis of our Petition (Pet. 12 to 19).

CONCLUSION.

We submit that respondents' brief has advanced no reason why this Court should not grant the Petition.

Respectfully submitted,

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October 4, 1951.